



**U.S. Department of the Interior**  
**"To-Be" Trust Business Model**  
**Process Template**

**Title: Reconcile Production Reporting**

*Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)*

**Process Number**  
**UM.4.6**

**1. Process Definition** *Provide an overview of the process and define its starting and ending points*

<b>1.1 Starts With</b>	Approval of a production type lease/contract, such as an oil and gas lease or a timber sale contract.
<b>1.2 Process Overview</b>	<p>Production data is received and processed. The data may be sourced from a pre-production estimate by a BIA resource (e.g. pre-logging timber cruise), from an operator, or from a post-production independent source (e.g. independently-operated truck scale, mineral assayer, pipeline operator, electronically received meter reading, physical site inspection, tank readings).</p> <p>For a detailed explanation of this process, see the following:</p> <p>UM.4.6.1 Encode Independent Production Data</p> <p>UM.4.6.2 Encode Operator Production Reports</p> <p>UM.4.6.3 Reconcile Production</p> <p>UM.4.6.4 Perform Production Accountability Audit</p>
<b>1.3 Stops With</b>	Prepare Production Reconciliation report.

**2. Trust Business Objectives** *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

<b>Goal/Objective</b>
GOAL 4: LAND AND NATURAL RESOURCES MANAGEMENT THAT MAXIMIZES RETURN WHILE MEETING BENEFICIARY DESIRES
OBJECTIVE 4.1: LAND AND NATURAL RESOURCE ASSET PLANS AND STEWARDSHIP STRATEGIES - Develop land and natural resource asset plans and stewardship strategies.
OBJECTIVE 4.2: PRESERVATION AND PROTECTION OF LAND AND NATURAL RESOURCE ASSETS - Preserve and protect the long-term viability of land and natural resource assets consistent with fiduciary duties and with the beneficiaries' intended use of the assets.
OBJECTIVE 4.3: LAND AND NATURAL RESOURCE ASSET BUSINESS MANAGEMENT Manage land and natural resource assets effectively and proactively to obtain

**3. How should Beneficiaries be involved in this process?**

<b>Beneficiary Involvement</b>
None



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**4. Organizations, Offices and Roles.** *Identify the DOI organizations and related roles that should be involved in performing the process.*

**4.1 DOI Organizations.** *Identify the DOI organizations, offices and individual roles that contribute to this process.*

*DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others.*

*Offices include Central Offices, Regional Offices, Agency(Field) Offices, etc.*

*All individual roles that contribute, in a significant manner, should be identified.*

Organization	Office	Role	Contribution
BIA	Agency or Regional Office		Perform physical site inspection as necessary. Gather or prepare production data. Perform reconciliation. Coordinate exception reconciliation. Prepare Production Reconciliation Report. Perform production accountability audit. Create production reporting adjustment request where appropriate.
BLM	Field Office		Perform physical site inspection as necessary. Gather or prepare production data.
BIA	Central Office		Log receipt of production data. Review and encode production information. Enter production information into land use contract system. Support production exception reconciliation.



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Organization	Office	Role	Contribution
OST	Central office		Support exception reconciliation.  Receive production adjustment request (operator invoice/credit) where appropriate.

**4.2 External Organizations.** Identify the non-DOI organizations that support the execution of or contribute to this process.

External Organization	Contribution
Independent Production Measurer	Submit independent production data.  Assist in resolving any questions required to encode and record report in integrated land use contract system.  Assist in resolving production discrepancies.
Land use contract operator	Submit production report.  Assist in resolving any questions required to encode and record report in integrated land use contract system.  Assist in resolving discrepancies.  Agree to any production adjustment request.

**5. Event(s)** Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
Receive production data		Once / month / production contract
Perform site inspection	Program specialist or production engineer physically inspects production site, or site of produced inventory, and gathers or prepares production data as required.	As scheduled.
Integrated data has all required inputs encoded		Once/month/contract



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Event	Description	Estimated Frequency
Receive operator production report		Once / month / production contract
Receive Production Accountability Audit request		

**6. Inputs and Outputs.** *Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.*

**6.1 Inputs**

Input	Description
Independent production ticket	Ticket of production information produced by independent measurer or recipient of production inventory.
Land use contract	Contract details and terms from integrated land management system. Production-based-revenue terms and production discrepancy tolerances from BIA approved land use contract, or created from monitoring and assessment of the Management Unit (UM.4.1 and UM.4.3).
Funds receivable data	Information related to the source and the status of what contract information has been received in order to record a memo account of remittance receivable on the land use contract, status of any offsetting receipt of royalty funds, status of any funds receipt reconciliation (e.g. royalty reconciliation), and status of any production reconciliation. This information exists for each period as specified in the contract. Production reconciliation status is relevant only to forestry, oil & gas, or mineral contracts.
Independent production valuation	Independent sources for production value, where specified as the basis for revenue in the land use contract. For example, where a separately published rate by commodity and grade is used to value the production volume (industry sources, mercantile commodity exchange, etc.).
Operator Production Report	Production report from operator of land use contract.
Operator Royalty Report, or Fund Remittance Report (by production period)	Report of financial receipts of operator-submitted production-based revenue, escrow account status (e.g. forestry accounts),



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<b>Input</b>	<b>Description</b>
Production accountability audit request	When a production adjustment request has been made, and discrepancies are frequent or large enough to warrant a more detailed investigation and audit of production source data.

**6.2 Outputs**

<b>Output</b>	<b>Description</b>
Encoded operator production report	Operator production information for a specific production period, with index or reference to the correct underlying DOI land use contract or land base, the quantities, grades/qualities, and time period of production, and references each of these to the terms of the related contract, and date of receipt and date of encoding the production report.
Encoded independent production data	Production information for a specific production site and period, obtained from either BIA or independent measurer or recipient of production. Includes an index or reference to the correct underlying DOI land use contract or land base, the quantities, grades/qualities, and time period of production, and references each of these to the terms of the related contract, and date of receipt and date of encoding the production report.
Funds receivable record	Updated memo receivable amount and status.
Production Reconciliation Report	Describes root cause of exception(s), agreed resolution for adjustments to production and / or remittance.
Production adjustment request	Request issued to source of production report needing modification for the designated production period.
Production Accountability Audit Report	Describes root cause of exception(s), agreed resolution for adjustments to production and / or remittance. Specifies any recommendations for further land or use contract monitoring, or any contract modifications.

**7. Fiduciary and Legal Obligations and Controls**

**7.1 Obligations**



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Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
See attached Schedule 1		

**7.2 Controls**

Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
BIAM	Internal control	Policies and procedures
Inter-Agency Handbook	Internal control	Policies and procedures

**8. Mechanisms (Systems of Record)** Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.

System Name	Support
Land use contract system	Application module supporting land use contracts, specifically for production-based land use (e.g. forestry, oil & gas, mineral extraction).
Receivables system	Financial system supporting tracking of various remittances receivable. This can include non-trust remittances such as bid deposits, surety bonds, as well as trust funds such as periodic rental payments for leases or permits, and production royalty payments. The system supports a clearing account structure to track what receipts are due, apply any receipts to a specific trust process identifier or land use contract (whether in draft status or perfected), and tied to the status of whether payments need to be (or have been) reconciled within the production tracking system.
Production Tracking system	Application module which supports entry and reconciliation of various production-related information; specifically, royalty report information, royalty fund receipts, independent production data, and operator production reports.



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**9. Inter-Process Relationships** *Identify other trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

**9.1 Predecessors.** *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

Process No.	Name	Condition of Relationship
FO.1.3	Reconcile Exceptions and Produce Report	Non-compliance and reconciliation issues are material or frequent enough to merit an audit.

**9.2 Successors.** *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

Process No.	Name	Condition of Relationship
UM.2.7	Administer Land Use Contracts	Production reports will be reviewed and may necessitate modification to a land use contract.
FO.1.3	Reconcile Exceptions and Produce Report	Reconcile production report to funds received and help to resolve exceptions and deficiencies.
FO.1.4	Impose Penalties and Generate Notices	Provide production information so that penalties and interest can be charged appropriately.

**10. Comments** *Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)*

Category	Comment
	None